

## **Report to the Cabinet**

**Report reference:** C-111-2008/09

**Date of meeting:** 9 March 2009



**Epping Forest  
District Council**

**Portfolio:** Civil Engineering & Maintenance

**Subject:** Co-ordination of the National Concessionary Fares Scheme in Essex - Transfer to Essex County Council

**Responsible Officer:** Bob Palmer (01992-564279)

**Democratic Services Officer:** Gary Woodhall (01992-564470)

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### **Recommendations/Decisions Required:**

- (1) That the progress made to date in negotiations with Essex County Council be noted and that the transfer to Essex County Council of this authority's role as a Travel Concession Authority be agree in principle; and**
- (2) That the Civil Engineering and Maintenance Portfolio Holder be authorised, in consultation with the Director of Finance & ICT, to agree the final Participation Agreement document.**

### **Executive Summary:**

The new National Concessionary Fares Scheme began on 1 April 2008, but despite it now being a national scheme it is being administered by nearly 300 local authorities in their roles as travel concession authorities. The Department for Transport have recognised that this is not the most efficient or cost effective way of providing a national scheme and it is anticipated that this will be re-examined as part of the next Comprehensive Spending Review.

In Essex, the Districts and the County Council are seeking to achieve an earlier transfer of the duties and risks associated with being travel concession authorities. A draft Participation Agreement document has been provided by Essex County Council and is attached as Appendix 1. A decision on the principle of the transfer is now necessary in order to get the revised arrangements in place before the start of 2009/10.

### **Reasons for Proposed Decision:**

The National Scheme has not been fully funded by the Department for Transport and has placed considerable financial pressure on many authorities. As the take up and use of passes increases the demands for reimbursement from the bus operators will also increase. This represents a considerable financial risk to travel concession authorities, which the proposed scheme limits by fixing the contributions from Districts for 2009/10 and 2010/11.

### **Other Options for Action:**

The Council could decide to take on the financial risks associated with the National Scheme and retain its duties as a travel concession authority.

## Report

1. The Transport Act 2000 introduced a national minimum standard for local authority concessionary travel schemes for elderly and disabled people. The concession required at least half-fare off-peak travel on local buses within the travel concession authority's (TCA) area.
2. Since 1 April 2006, local authorities have been required to provide their residents who are 60 and over, or disabled with at least free off-peak local bus travel.
3. The 2006 Budget announced that the statutory minimum was to be extended to free off-peak local bus travel anywhere in England from 1 April 2008. At the Cabinet meeting of 14 April 2008 it was decided that the benefits to be provided to pass holders in the district should exceed those set out in the National Scheme. The National Scheme has a start time of 9.30am and does not include companion passes; the scheme within this district has a 9am start and offers companion passes.
4. The report to Cabinet in April 2008 also informed Members of the initiative being pursued through the Essex Chief Executives' Group, which was seeking increased funding from Government for the scheme. This initiative was not successful but the group did succeed in negotiating re-imbusement arrangements with bus operators for 2008/09 and moved on to negotiate the transfer of the administration of the scheme to Essex County Council.
5. Under the attached proposal, all districts retain the responsibility for issuing passes and dealing with enquiries from the public. Essex County Council will fund the central administration costs of the scheme and will also fund any increases in costs due to:
  - a. Growth in volume of travel for the mandatory element of the scheme and for the discretionary extensions of the scheme to 09:00 & the issue of companion passes;
  - b. Inflation for the mandatory element of the scheme and for the discretionary extensions of the scheme to 09:00 & the issue of companion passes;
  - c. Additional Capacity Costs; and
  - d. Extraordinary payments required as a result of Appeals or Judicial Reviews that are incurred in relation only to those years for which the agreement is in force.
6. If the agreement is not entered into districts will have to meet any increases in costs and these could be substantial. The principle of taking over the responsibility for the administration of the scheme was approved by the Cabinet of Essex County Council on 27 January. The main benefits to the County Council were outlined as:
  - a. Essex has a better understanding of how concessionary fares fit into the strategic plans for transport in Essex.
  - b. Essex works in partnership on a daily basis with bus operators and has developed a deep understanding of market forces and therefore has a stronger negotiating position.

**Resource Implications:**

Adequate resources are included in the Medium Term Financial Strategy based on the current costs of the scheme. If there is no transfer of responsibilities to Essex County Council and costs continue to increase additional resources will be needed.

**Legal and Governance Implications:**

The report proposes the transfer of some powers under the Transport Act 2000, as amended by the Travel Concessions (Extension of Entitlement) (England) Order 2005, to Essex County Council.

**Safer, Cleaner and Greener Implications:**

There are no environmental implications.

**Consultation Undertaken:**

The proposal has been progressed through the Essex Chief Executives' and Leaders' Forums.

**Background Papers:**

Draft "Participation Agreement" attached as Appendix 1.

**Impact Assessments:****Equalities**

There are no equalities impacts.

**Risk Management**

The proposed transfer removes a substantial financial risk from this authority and places it with Essex County Council for 2009/10 and 2010/11. Beyond 2010/11 there is a risk that the general removal of this function from districts and the associated re-working of the grant formula could adversely impact on the Council's overall financial position.